

**WHAT IS CLAIMED IS:**

1. An aqueous dispersion of (a) 0.1-40% by wt. of a low molecular weight, low melting point, water-insoluble polymer in which the polymer particles have a size <10 microns, and (b) 0.001-30% by wt. of an anionic emulsifier.
2. An aqueous dispersion according to claim 1 wherein (a) is 5-30% and (b) is 0.002-20%.
3. An aqueous dispersion according to claim 1 wherein (a) is 10-20% and (b) is 0.005-10%.
4. An aqueous dispersion according to claim 1 wherein (a) is a vinyl pyrrolidone copolymer.
5. An aqueous dispersion according to claim 4 wherein (a) is a vinyl pyrrolidone-alkylated or vinyl acetate copolymer.
6. An aqueous dispersion according to claim 1 wherein (b) is sodium lauryl sulfate, calcium dodecyl benzene sulfonate, tristeryl ethoxylated phosphoric acid, or salts thereof, polymeric anionic emulsifiers including lignin sulfonate, neutralized methyl vinyl ether maleic acid half-ester, and polyacrylic acid with > 10% acrylic acid, or salts thereof, and mixtures of the above.
7. An aqueous dispersion according to claim 1 wherein (a) has a molecular weight <100,000 and a pyrrolidone content >10%.

8. A process of making the aqueous dispersion of claim 1 which comprises heating said polymer and anionic emulsifier in water at a temperature close to the T<sub>g</sub> of the polymer under high shear mixing conditions.
9. A process according to claim 8 wherein said temperature is 40-90°C.
10. A process according to claim 9 wherein said temperature is 50-80°C.
11. A process according to claim 9 wherein said temperature is 60-75°C.
12. A process according to claim 8 wherein said polymer and anionic emulsifier is present in amounts of 1-40 wt. % and 0.001-30 wt. %, respectively.
13. A water-resistant composition including the aqueous dispersion of claim 1.
14. A water-resistant composition according to claim 13 which includes said dispersion at a dilution of 1:10 to 1:1000.